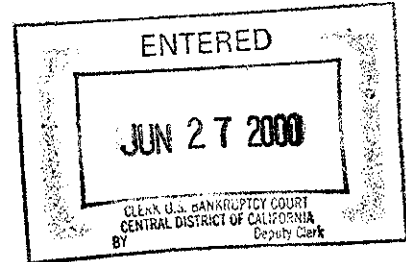
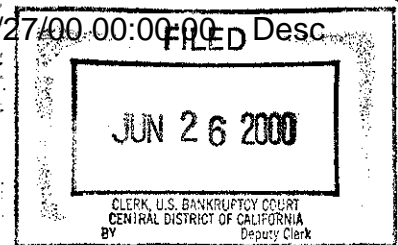


ORIGINAL



1 WILLIAM N. LOBEL - State Bar No. 93202  
2 JEFFREY M. REISNER - State Bar No. 143715  
3 TAVI C. FLANAGAN - State Bar No. 169156  
4 MIKE D. NEUE - State Bar No. 179303  
5 IRELL & MANELLA LLP  
840 Newport Center Drive, Suite 400  
Newport Beach, California 92660-6324  
Telephone: (949) 476-7400  
Facsimile: (949) 476-7444

6 General Insolvency Counsel to the Debtors

8 UNITED STATES BANKRUPTCY COURT

9 CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

10 re  
11 FIRST ALLIANCE MORTGAGE CO.,  
12 a California corporation, et al.,  
13 Related Debtors.

14 ☐ Affects All Related Debtors.

15 FIRST ALLIANCE MORTGAGE CO.,  
16 a California corporation  
17 Case No. SA 00-12370 LR  
☐ Affected by this Pleading

18 FIRST ALLIANCE CORPORATION,  
19 a Delaware corporation  
20 Case No. SA 00-12371 LR  
☒ Affected by this Pleading

21 FIRST ALLIANCE MORTGAGE CO.,  
22 a Minnesota corporation  
23 Case No. SA 00-12372 LR  
☐ Affected by this Pleading

24 FIRST ALLIANCE PORTFOLIO SERVICES,  
25 INC., a Nevada corporation  
26 Case No. SA 00-12373 LR  
☐ Affected by this Pleading

Case No. SA 00-12370 LR

Chapter 11 Case

(Jointly Administered with  
Case No. SA 00-12371 LR;  
Case No. SA 00-12372 LR; and  
Case No. SA 00-12373 LR)

**ORDER:**

**(1) AUTHORIZING EMPLOYMENT  
OF STEPHENS, REIDINGER &  
BELLER LLP AS SPECIAL  
ACCOUNTANTS IN CONNECTION  
WITH 401(k) PLAN AUDIT; AND**

**(2) ESTABLISHING MONTHLY  
PAYMENT PROCEDURE**

**Hearing Date and Time:**

DATE: June 22, 2000  
TIME: 10:00 a.m.  
CTRM: 5D  
411 West Fourth Street  
Santa Ana, CA 92701-4593

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1 The Application for Authority to Employ Stephens, Reidinger & Beller LLP as Special  
2 Accountants in Connection with 401(k) Plan Audit and to Establish Monthly Payment Procedure  
3 ("Application"), filed by First Alliance Corporation, a Delaware corporation, one of the debtors  
4 and debtors-in-possession in these jointly administered Chapter 11 cases ("Debtor"), came on for  
5 hearing on June 22, 2000, at 10:00 a.m., before the Honorable Lynne Riddle, United States  
6 Bankruptcy Judge, in Courtroom 5D of the United States Bankruptcy Court, located at 411 West  
7 Fourth Street, Santa Ana, California.

8 The Debtor appeared by and through its counsel of record, William N. Lobel, Esq. of Irell  
9 & Manella LLP. All other appearances with respect to this matter were noted on the Court's  
10 record.

11 The Court having read and considered the Application, the supporting declaration of David  
12 Stephens attached thereto, and the Court having found that (a) notice of the Application was  
13 proper; (b) that no objection to the Application was filed; and (c) that the Firm is disinterested  
14 within the meaning of 11 U.S.C. § 101(14) of the Bankruptcy Code; and for good cause shown,

15 **IT IS HEREBY ORDERED** that:

16 A. The Application is approved in its entirety, and the Debtor is authorized to  
17 employ Stephens, Reidinger & Beller LLP ("Firm") as special accountants in connection with the  
18 audit of the Debtor's 401(k) with compensation in such amount as the Court may hereafter allow  
19 in accordance with law, on the terms set forth in the Application;

20 B. The Debtor is authorized to employ the Firm pursuant to the terms of the Retainer  
21 Agreement attached as Exhibit "1" to the Stephens Declaration appended to the Application, and  
22 on the terms set forth in the Application; and

23 ///

24 ///

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1 C. The Debtor is authorized to pay to the Firm monthly payments equal to the  
2 amounts of the Firm's monthly invoices, provided that the Firm comply with the provisions of  
3 the Fee Guide promulgated by the Office of the United States Trustee.

4  
5 DATED: June 26, 2000

  
THE HONORABLE LYNNE RIDDLE  
UNITED STATES BANKRUPTCY JUDGE

8  
9 PRESENTED BY:

10 IRELL & MANELLA LLP

11  
12 By: William N. Lobel

William N. Lobel  
Jeffrey M. Reisner  
Tavi C. Flanagan  
Mike D. Neue

14 Counsel for the Debtor  
15 and Debtor-in-Possession  
16  
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**PROOF OF SERVICE**

**STATE OF CALIFORNIA, COUNTY OF ORANGE**

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; my business address is 840 Newport Center Drive, Suite 400, Newport Beach, California 92660.

On June 23, 2000, I served the foregoing document described as **ORDER: (1) AUTHORIZING EMPLOYMENT OF STEPHENS, REIDINGER & BELLER LLP AS SPECIAL ACCOUNTANTS IN CONNECTION WITH 401(k) PLAN AUDIT; AND (2) ESTABLISHING MONTHLY PAYMENT PROCEDURE** on the interested parties in this action as follows:

☒ **BY MAIL**

I caused true and correct copies of the above-referenced document(s) to be enclosed in sealed envelopes addressed as follows:

Arthur Marquis, Esq.  
Office of the United States Trustee  
411 West Fourth Street, Suite 9041  
Santa Ana, CA 92701

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U. S. postal service on that same day with postage thereon fully prepaid at Newport Beach, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare that I am employed in the office of a member of the bar of this court at whose direction this filing and declaration was made.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on June 23, 2000, at Newport Beach, California.

\_\_\_\_\_  
Linda A. Farmer

1 NOTICE TO USERS OF THIS FORM:  
2 Physically attach this form as the last page of the proposed Order or Judgment.  
3 Do not file this form as a separate document.

4 In re: (SHORT TITLE) FIRST ALLIANCE MORTGAGE COMPANY	CHAPTER 11 CASE NUMBER: SA 00-12370 LR [Jointly Administered With SA 0012371 LR; SA 00-12372 LR; SA 00-12373 LR]
5 Debtor and Debtor in Possession	This document relates to SA 00-12371 LR

7  
8 NOTICE OF ENTRY OF JUDGMENT OR ORDER  
9 AND CERTIFICATE OF MAILING

10  
11 TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

12 You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(1)(v), that a judgment  
13 or order entitled (specify):

14 **ORDER:**

15 **(1) AUTHORIZING EMPLOYMENT OF STEPHENS, REIDINGER & BELLER LLP**  
16 **AS SPECIAL ACCOUNTANTS IN CONNECTION WITH 401(k) PLAN AUDIT; AND**

17 **(2) ESTABLISHING MONTHLY PAYMENT PROCEDURE**

18 was entered on (specify date):

JUN 27 2000

19 I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the  
20 persons and entities on the attached service list on (specify date):

JUN 27 2000

21  
22 Dated:

JUN 27 2000

JON DAVID CERETTO  
Clerk of the Bankruptcy Court

23  
24 By: *Eva M. Alvarado*  
Deputy Clerk

Arthur Marquis, Esq.  
Office of the United States Trustee  
411 West Fourth Street, Suite 9041  
Santa Ana, CA 92701

Debtors:

Mr. Francisco Nebot  
President  
First Alliance Mortgage Company  
17305 Von Karman Avenue  
Irvine CA 92614-6203

William N. Lobel, Esq.  
Irell & Manella LLP  
840 Newport Center Drive, Suite 500  
Newport Beach, CA 92660

Counsel to the Unsecured Creditors

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Klee, Tuchin, Bogdanoff & Stern  
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Los Angeles, CA 90067

David Stephens  
Stephens, Reidinger & Beller LLP  
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Irvine, CA 92612